

AMENDED IN ASSEMBLY MAY 15, 2014

SENATE BILL

No. 1353

Introduced by Senator Nielsen

February 21, 2014

An act to amend Section 51244.3 of, to amend and repeal Sections 16142, 16142.1, and 51244 of, and to repeal Section 51244.4 of, the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

SB 1353, as amended, Nielsen. Local government: Williamson Act.

Existing law, the Williamson Act, authorizes a city or county to enter into contracts with owners of land devoted to agricultural use, whereby the owners agree to continue using the property for that purpose, and the city or county agrees to value the land accordingly for purposes of property taxation. Existing law sets forth procedures for reimbursing cities and counties for property tax revenues not received as a result of these contracts. Existing law sets forth the term of these contracts at 10 or 20 years, except that until January 1, 2016, a county may, in any fiscal year in which payments authorized for reimbursement to a county for lost revenue are less than $\frac{1}{2}$ of the participating county's actual foregone general fund property tax revenue, revise the term for newly renewed and new contracts to either 9 or 18 years. Existing law provides for an addition to the assessed value of properties subject to contracts with a reduced term.

This bill would delete the January 1, 2016, date and thereby authorize a county to utilize the process for revising or entering into contracts so as to specify ~~9 9-year or 18-year~~ 18-year terms indefinitely. *The bill would additionally authorize a county to utilize that process for revising*

or entering into contracts for land subject to a farmland security zone contract. The bill would also make conforming changes.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 16142 of the Government Code, as
2 amended by Section 1 of Chapter 90 of the Statutes of 2011, is
3 amended to read:

4 16142. (a) The Secretary of the Natural Resources Agency
5 shall direct the Controller to pay annually out of the funds
6 appropriated by Section 16140, to each eligible county, city, or
7 city and county, the following amounts for each acre of land within
8 its regulatory jurisdiction that is assessed pursuant to Section 423,
9 423.3, 423.4, or 423.5, or *Section* 426 if it was previously assessed
10 under Section 423.4, of the Revenue and Taxation Code:

11 (1) Five dollars (\$5) for prime agricultural land, as defined in
12 Section 51201.

13 (2) One dollar (\$1) for all land, other than prime agricultural
14 land, which is devoted to open-space uses of statewide significance,
15 as defined in Section 16143.

16 (b) The amount per acre in paragraph (1) of subdivision (a) may
17 be increased by the Secretary of the Natural Resources Agency to
18 a figure which would offset any savings due to a more restrictive
19 determination by the secretary as to what land is devoted to
20 open-space use of statewide significance.

21 (c) The amount per acre in subdivision (a) shall only be paid
22 for 10 years from the date that the land was first assessed pursuant
23 to Section 426 of the Revenue and Taxation Code, if it was
24 previously assessed under Section 423.4 of that code.

25 (d) Notwithstanding any other provision of law, for the 2008–09
26 fiscal year and each fiscal year thereafter, the Controller shall
27 reduce, by 10 percent, any payment made pursuant to this section.

28 (e) Effective January 1, 2011, if the payment pursuant to this
29 section for the previous fiscal year is less than one-half of the
30 participating county's actual foregone general fund property tax
31 revenue, the county may make a determination to implement
32 subdivision (b) of Section 51244 and Section 51244.3. The
33 implementation of these sections shall be suspended for any

1 subsequent fiscal year in which the payment for the previous fiscal
2 year exceeds one-half of the foregone general fund property tax
3 revenue.

4 For purposes of this subdivision, a county's actual foregone
5 property tax revenue shall be based on the county's respective
6 share of the general property tax dollars as reflected in the most
7 recent annual report issued by the State Board of Equalization or
8 20 percent, whichever is higher.

9 SEC. 2. Section 16142 of the Government Code, as added by
10 Section 2 of Chapter 90 of the Statutes of 2011, is repealed.

11 SEC. 3. Section 16142.1 of the Government Code, as amended
12 by Section 3 of Chapter 90 of the Statutes of 2011, is amended to
13 read:

14 16142.1. (a) In lieu of the payments made pursuant to Section
15 16142, in a county that has adopted farmland security zones
16 pursuant to Section 51296, the Secretary of the Natural Resources
17 Agency shall direct the Controller to pay annually out of the funds
18 appropriated by Section 16140, to each eligible county, city, or
19 city and county, the following amount for each acre of land within
20 its regulatory jurisdiction that is assessed pursuant to Section 423.4
21 or 426 of the Revenue and Taxation Code, if it was previously
22 assessed under Section 423.4 of that code:

23 Eight dollars (\$8) for land that is within, or within three miles
24 of the boundaries of the sphere of influence of, each incorporated
25 city.

26 (b) The amount per acre in subdivision (a) shall only be paid
27 for 10 years from the date that the land was first assessed pursuant
28 to Section 426 of the Revenue and Taxation Code, if it was
29 previously assessed under Section 423.4 of that code. The
30 appropriation authorized by this subdivision shall not exceed one
31 hundred thousand dollars (\$100,000) per year until 2005.

32 (c) Notwithstanding any other provision of law, for the 2008–09
33 fiscal year and each fiscal year thereafter, the Controller shall
34 reduce, by 10 percent, any payments made pursuant to this section.

35 (d) Effective January 1, 2011, if the payment pursuant to this
36 section for the previous fiscal year is less than one-half of the
37 participating county's actual foregone general fund property tax
38 revenue, the county may make a determination to implement
39 subdivision (b) of Section 51244 and Section 51244.3. The
40 implementation of these sections shall be suspended for any

1 subsequent fiscal year in which the payment for the previous fiscal
2 year exceeds one-half of the foregone general fund property tax
3 revenue.

4 For purposes of this subdivision, a county's actual foregone
5 property tax revenue shall be based on the county's respective
6 share of the general property tax dollars as reflected in the most
7 recent annual report issued by the State Board of Equalization or
8 20 percent, whichever is higher.

9 SEC. 4. Section 16142.1 of the Government Code, as added
10 by Section 4 of Chapter 90 of the Statutes of 2011, is repealed.

11 SEC. 5. Section 51244 of the Government Code, as amended
12 by Section 5 of Chapter 90 of the Statutes of 2011, is amended to
13 read:

14 51244. (a) Each contract shall be for an initial term of no less
15 than 10 years. Each contract shall provide that on the anniversary
16 date of the contract or such other annual date as specified by the
17 contract a year shall be added automatically to the initial term
18 unless notice of nonrenewal is given as provided in Section 51245.

19 (b) (1) If the county makes a determination pursuant to
20 subdivision (e) of Section 16142 or subdivision (d) of Section
21 16142.1, contracts shall be for a term of no less than 9 years for
22 contracts currently 10 years in length or 18 years for contracts
23 currently 20 years in length, as the case may be. For new contracts
24 entered into during a year in which this subdivision is in effect,
25 the initial contract length shall be either 9 or 18 years. Each
26 contract shall provide, except in the initial year of the
27 determination, that on the anniversary date of the contract or such
28 other annual date as specified by the contract, a year shall be added
29 automatically to the initial term unless notice of nonrenewal is
30 given as provided in Section 51245.

31 In any subsequent year during the reduced term of contract in
32 which increased revenue is not realized by the county pursuant to
33 Section 51244.3, 2 or 3 additional years shall be added to the
34 contract on the next anniversary date, as necessary, to restore the
35 contract to its full 10-year or 20-year contract length.

36 (2) In any year in which this subdivision is implemented, the
37 county shall record a notice that states the affected parcel number
38 or numbers and current owner's names, or, alternatively, the same
39 information for those parcels that are not affected.

1 (3) An addition to the assessed value shall be conveyed to the
2 auditor, consistent with the 10-percent reduction in the length of
3 the restriction, equal to 10 percent of the difference between the
4 valuation pursuant to Section 423, 423.3, 423.4 or 423.5 of the
5 Revenue and Taxation Code, as applicable, and the valuation under
6 subdivision (b) of Section 51 or Section 110.1 of the Revenue and
7 Taxation Code, whichever is lower. If the valuation under
8 subdivision (b) of Section 51 or Section 110.1 of the Revenue and
9 Taxation Code is lower, the addition to the assessed value shall
10 be zero. The increased amount of tax revenue that results from the
11 decrease in restriction shall be separately displayed on the
12 taxpayer's annual bill.

13 (4) A landowner may elect to serve notice of nonrenewal instead
14 of accepting a 9-year or 18-year contract, as the case may be. In
15 that case, the additional assessed value shall not be added to the
16 property as provided for in paragraph (3).

17 For purposes of this subdivision, a landowner may serve notice
18 of nonrenewal at any time. However, a landowner who withdraws
19 that notice prior to the effective date shall be subject to term
20 modification and additional assessed value. Once served and
21 effective, a landowner nonrenewal notice may not be withdrawn
22 except for cause and with the consent of the county. A county may
23 adopt amendments to its uniform rules to facilitate implementation
24 of this subdivision during the 2011–12 fiscal year, and thereafter
25 as necessary.

26 (5) In addition to any other notice requirements, a county shall
27 provide a landowner under contract with timely written notice of
28 all of the following:

29 (A) Any initial hearing by the county on a proposal to adopt or
30 rescind the implementation of this subdivision.

31 (B) Any final decision regarding the adoption or rescission of
32 implementation of this subdivision.

33 (C) The landowner's right to prevent the reduction in the term
34 of his or her contract pursuant to this subdivision by serving notice
35 of nonrenewal as specified by Section 51245. This notice may be
36 combined with the county's notice in subparagraph (B).

37 (6) A county shall not modify or revalue a landowner's contract
38 pursuant to this subdivision unless the landowner is given at least
39 90 days' notice of the opportunity to prevent the modification and
40 revaluation by serving notice of nonrenewal and the landowner

1 fails to serve notice of nonrenewal. The county may use the primary
2 owner of record from the assessment roll to identify landowners
3 entitled to receive notice under this subdivision. A landowner shall
4 be advised of the landowner's right to avoid continued imposition
5 of this subdivision in any future year and thereafter by serving a
6 notice of nonrenewal for that contract year. Failure of the
7 landowner to serve timely notice of nonrenewal in any year shall
8 be considered implied consent to the implementation of this
9 subdivision for that year.

10 The 90-day notice requirement may be reduced to 60 days if the
11 county adopts a procedure to allow landowners to serve a notice
12 of nonrenewal until February 1, 2012.

13 (7) This subdivision shall not apply to any of the following:

14 (A) Contracts that have been nonrenewed.

15 (B) Contracts with cities.

16 (C) Open-space or agricultural easements.

17 (D) Scenic restrictions.

18 (E) Wildlife habitat contracts.

19 (F) Atypical term contracts, including, but not limited to, 20-year
20 initial term contracts declining to 10 years, or reencumbrances
21 pursuant to Section 51295, if the county's board of supervisors
22 determines the application of this subdivision to them would be
23 inequitable or administratively infeasible.

24 SEC. 6. Section 51244 of the Government Code, as added by
25 Section 6 of Chapter 90 of the Statutes of 2011, is repealed.

26 SEC. 7. Section 51244.3 of the Government Code is amended
27 to read:

28 51244.3. (a) This section shall apply to properties under a
29 9-year or 18-year contract, as the case may be, pursuant to
30 subdivision (b) of Section 51244. Notwithstanding any other
31 provision to the contrary, increased revenues generated by those
32 properties shall be allocated exclusively to the respective counties
33 in which those properties are located.

34 (b) This section shall only apply if the county makes a
35 determination pursuant to either Section 16142 or 16142.1.

36 SEC. 8. Section 51244.4 of the Government Code is repealed.